

RECORDATION NO. 25497-A FILED

MAY 11 '05

4-51 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

May 11, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Termination of Security Interest, dated as of May 11, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document is a complete release and relates to the Memorandum of Mortgage previously filed with the Board under Recordation Number 25497.

The names and addresses of the parties to the enclosed document are:

Secured Party: Bayerische Hypo-Und Vereinsbank AG, Agent
FPA 4 Lease/Asset Finance
Am Tucherpark 1 (FPA)
80538 Munich
Germany

[Debtor: Babcock & Brown Rail Funding LLC
1 Dag Hammarskjold Plaza
885 Second Avenue
49th Floor
New York, NY 10017]

Mr. Vernon A. Williams
May 11, 2005
Page Two

A description of the railroad equipment covered by the enclosed document
is:

150 centerbeam flatcars AOK 29000 – AOK 29149

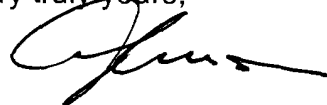
A short summary of the document to appear in the index is:

Termination of Security Interest

Also enclosed is a check in the amount of \$32.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/anm
Enclosures

TERMINATION OF SECURITY INTEREST

THIS TERMINATION OF SECURITY INTEREST (this "**Termination**") is made this 11th day of May, 2005 between **BABCOCK & BROWN RAIL FUNDING LLC** (the "**Borrower**") and **BAYERISCHE HYPO- UND VEREINSBANK AG**, as agent (the "**Agent**") for the banks under the Amended and Restated Security Agreement dated as of October 18, 2002 (as amended, supplemented or otherwise modified through the date hereof, including, without limitation, as supplemented by Security Agreement Supplement No. 18 dated March 15, 2005 ("**Security Agreement Supplement No. 18**"), the "**Security Agreement**"). Capitalized terms used in this Termination and not otherwise defined herein shall have the meanings (by cross-reference or otherwise) in the Security Agreement.

WHEREAS, the Security Agreement created a lien and security interest in favor of the Agent in and to the Units and the Qualifying Leases (each as defined in the Security Agreement);

WHEREAS, the Borrower and the Agent are parties to (i) that certain Memorandum of Mortgage, dated as of March 15, 2005, a copy of which was duly filed with the Surface Transportation Board (the "**STB**") on March 15, 2005 at 1:43 p.m. EST under Recordation Number 25497 (the "**STB Memorandum of Mortgage**"), and (ii) that certain Memorandum of Mortgage, dated as of March 15, 2005, a copy of which was duly filed with the Registrar General of Canada (the "**RGC**") on March 15, 2005 (the "**Canada Memorandum of Mortgage**"), and, together with the STB Memorandum of Mortgage, collectively, the "**Memoranda of Mortgage**", and each, individually, a "**Memorandum of Mortgage**"; and

WHEREAS, the Borrower and the Agent now desire to terminate and cancel the Agent's security interest in and mortgage lien upon all right, title and interest of the Borrower in, to and under the property described in Schedule I to Security Agreement Supplement No. 18, and Exhibits A and B to each Memorandum of Mortgage, as specified in Exhibit I hereto and to record such termination and cancellation with the STB and the RGC.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Agent, intending to be legally bound, agree as follows:

1. The Borrower and the Agent hereby terminate and cancel the Agent's security interest in and mortgage lien upon all right, title and interest of the Borrower in, to and under the property described in Schedule I to Security Agreement Supplement No. 18 and Exhibits A and B to each Memorandum of Mortgage, as specified in Exhibit I hereto, effective as of the date this Termination is filed with the STB and the RGC (the "**Effective Date**"), and the Borrower and the Agent hereby agree that no rights, duties or liabilities under the Security Agreement in relation to the property described in Schedule I to Security Agreement Supplement No. 18 and Exhibits A and B to each Memorandum of Mortgage, as specified in Exhibit I hereto, shall survive such termination and cancellation of the Agent's security interest in and mortgage lien upon all right, title and interest of the Borrower in, to and under the property described in Schedule I to Security Agreement Supplement No. 18 and Exhibits A and B to each Memorandum of Mortgage, as specified in Exhibit I hereto, except with respect to acts, events, or omissions under the Security

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Agreement occurring on or prior to the Effective Date and indemnities with respect to such acts, events or omissions.

2. The Borrower and the Agent agree to record this Termination with the STB and the RGC so as to release any security interest in and mortgage lien upon the property described in Schedule I to Security Agreement Supplement No. 18 and Exhibits A and B to the relevant Memorandum of Mortgage, as specified in Exhibit I hereto created by or arising out of the Security Agreement.

3. This Termination may be executed in any number of counterparts, each executed counterpart constituting an original but all together constituting only one and the same agreement.

4. This Termination shall be governed by and construed in accordance with the laws of the State of New York and is being delivered in the State of New York.

* * *

IN WITNESS WHEREOF, the Borrower and the Agent have each caused this Termination of Security Interest to be duly executed and delivered as of the date first above written.

**BABCOCK & BROWN RAIL FUNDING
LLC**

By: 
Name: Victoria McManus
Title: President

**BAYERISCHE HYPO- UND
VEREINSBANK AG**, not in its individual
capacity except as expressly provided herein,
but solely as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

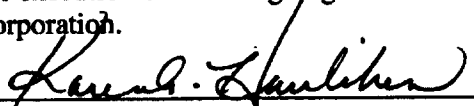
[Termination of Security Interest]

STATE OF NEW YORK)

) SS:

COUNTY OF NEW YORK)

On this 11th day of May, 2005, before me personally appeared Victoria McManus, to me personally known, who, being by me duly sworn, says that she is President of Babcock & Brown Rail Funding LLC and that the foregoing Termination of Security Interest was signed on behalf of said corporation. Further, she acknowledged that the execution of the foregoing Termination of Security Interest was the free act and deed of said corporation.


Notary Public

(NOTARIAL SEAL)

My Commission Expires:

KAREN A. HOULIHAN
Notary Public, State of New York
No. 01HO6051904
Qualified in New York County
Commission Expires December 4, 2007

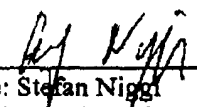
[Termination of Security Interest]

IN WITNESS WHEREOF, the Borrower and the Agent have each caused this Termination of Security Interest to be duly executed and delivered as of the date first above written.

**BABCOCK & BROWN RAIL FUNDING
LLC**

By: _____
Name:
Title:

**BAYERISCHE HYPO- UND
VEREINSBANK AG**, not in its individual
capacity except as expressly provided herein,
but solely as Agent

By:  _____
Name: Stefan Niggli
Title: Managing Director


By:  _____
Name: Martin Tobies
Title: Vice President

STATE OF NEW YORK)

) SS:

COUNTY OF NEW YORK)

Subscribed to me on this 11th day of May, 2005 by Stefan Niggel, Managing Director of Bayerische Hypo- und Vereinsbank AG and Martin Tobies, Vice President of Bayerische Hypo- und Vereinsbank AG.



Notary Public

(NOTARIAL SEAL)

My Commission Expires:

December 8, 2007

NEILSON A. FERREIRA
Notary Public, State of New York
Registration #02FE6102354
Qualified In New York County
My Commission Expires Dec. 8, 2007

[Termination of Security Interest]

**Exhibit I to
Termination of Security Interest**

EQUIPMENT

Lease #	# Cars	Year Built	Description	Reporting Marks	Casualty Marks
1	150	2004	73' Centerbeam Flatcars with riserless deck, AAR Car Type F483, 286,000 lbs. GRL, manufactured by TrentonWorks Limited	AOK 29000-29149, inclusive.	None

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

1. Lease Agreement made as of March 1, 2002, by and between Greenbrier Leasing Corporation and BC Rail Partnership, to the extent the same relates to the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
2. Schedule No. 5 to Lease Agreement made as of February 1, 2004, by and between Greenbrier Leasing Corporation and BC Rail Partnership.
3. Memorandum of Lease Agreement and Schedule No. 5 thereto made and entered into as of February 1, 2004, by and between Greenbrier Leasing Corporation and BC Rail Partnership.
4. Bills of Sale dated March 31, 2004, April 15, 2004 and April 29, 2004, from Trenton Works Limited to Greenbrier Leasing Corporation, and each Certificate of Acceptance executed by Greenbrier Leasing Corporation in relation to the railcars identified in such Bills of Sale.
5. Certificate of Acceptance dated August 5, 2004 executed by BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
6. Bill of Sale dated February 28, 2005 from Greenbrier Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
7. Purchase Agreement [GLC] dated as of February 28, 2005, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
8. Assignment of Lease Payments, dated as of February 28, 2005, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
9. Assignment and Assumption Agreement, dated as of March 15, 2005, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
10. Notice and Acknowledgment dated March 9, 2005, made by Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC to BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
11. Notice Pursuant to Notice and Acknowledgment dated March 15, 2005, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
12. Warranty Assignment [BC Rail] dated as of March 15, 2005, between Greenbrier Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as

assignee thereunder, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

13. Manufacturer's Consent dated March 15, 2005, made by TrentonWorks Limited to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

14. Railcar Service Agreement dated as of February 28, 2005, between Greenbrier Management Services, LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

15. Letter Agreement dated February 28, 2005 from Babcock & Brown Rail Funding LLC addressed to Greenbrier Leasing Corporation, in respect of the price per railcar for the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

16. Side Letter dated March 15, 2005 from Greenbrier Leasing Corporation addressed to Babcock & Brown Rail Funding LLC, in respect of the original equipment cost for the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

Together with all substitutions, replacements and renewals of the property above described, and all property which shall hereafter become physically attached to or incorporated in the property above described, whether the Borrower now has rights therein or such rights shall hereafter be acquired by it.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

5/11/05



Robert W. Alvord